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STATEMENT OF  
ELMER B. STAATS  
COMPTROLLER GENERAL OF THE UNITED STATES  
BEFORE THE  
HOUSE COMMITTEE ON RULES



Mr. Chairman and Members of the Committee:

I appreciate this opportunity to discuss our thoughts on improving congressional control over the Federal budget. In the past few months we have given considerable thought to this general subject and I have testified on several occasions.

At the outset, I wish to state that we strongly support the objectives and principles embodied in H.R. 7130. We believe that the general recommendations made by the Joint Study Committee on Budget Control provides a realistic, workable, and needed approach to strengthening congressional control over the Federal budget.

There are several issues which I believe you may wish to consider in connection with H.R. 7130. I have briefly summarized these points in this statement. Each is covered more fully in the appendix.

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1. What steps could be taken to speed up the budget process in the Congress?

Title I of H.R. 7130 establishes a process and a timetable for the congressional resolution on the budget which will require a significant workload for the Congress in the first 4 months of each year. I believe it is extremely important that the Congress act within this time frame or earlier so that we can avoid, if at all possible, the present situation where appropriations are not enacted until well after the beginning of the fiscal year.

I have no complete solution to this time problem but staff analysis of at least parts of the budget in advance of the President's budget submission would greatly help. We question, in fact, whether the time table contemplated in the bill can be achieved unless some information is made available to the Congress for staff analysis much earlier--say in November and December. Many of the issues which are dealt with in the President's budget submission are not new and can be identified long before the January submission. Furthermore, there are many programs for which outlays are relatively fixed and uncontrollable in the immediate future, and for which the President has no intention of proposing significant changes. Such items make up a significant portion of the budget. Consideration should be

given to modifying section 202 of H.R. 7130 to specifically require the Office of Management and Budget and the agencies to cooperate with budget committees in providing information in advance of submission of the President's Budget.

We believe there should also be greater use of advance authorizations and multiyear appropriations. This is especially important for grant programs which require matching funds. States and local governments currently are not able to effectively plan and manage their programs and finances without much earlier notification of Federal decisions. Such delays are inevitably costly and slow down the administration of programs which otherwise must be financed through a continuing resolution.

It is clear that the congress cannot reasonably be expected to complete appropriation action on the budget by July 1. Therefore, we think that the fiscal year should be changed to begin on October 1 to provide the congress more time to consider the budget and still allow the President to submit a budget using actual prior years' figures and in the time requirements of present law.

2. What items should be included or excluded from the budget?

H.R. 7130 does not have a provision concerning what Federal activities will be included in the budget, which could be

interpreted to mean that the present reporting is satisfactory. As you know, the exclusion of certain activities have been authorized during the last few years--specifically the Export-Import Bank and the Rural Electrification Administration lending programs. I believe that it is highly important that the integrity of the unified Federal budget be maintained. If the Congress is to exercise effective control over Federal expenditures through the budget, it should resist efforts to remove Federal activities from the budget and take action to restore the items presently excluded.

3. How and where should the legislative budget committee get staff support?

There have been many different proposals for providing staff support. Title II of H.R. 7130 would create a joint legislative budget staff, headed by a Legislative Budget Director, to support the two committees on the budget. S.1541 as reported to the Senate Committee on Government Operations by the Subcommittee on Budgeting, Management and Expenditures would create a Congressional Office of the Budget as an independent office in the legislative branch.

We very strongly prefer the creation of a joint staff-- as provided in the House bill--which would function very much as the current staff of the Joint Committee on Internal Revenue Taxation. We believe that the capabilities of the General

Accounting Office, the Congressional Research Service, and executive agencies can effectively support the proposed legislative budget committees through the joint staff.

As I understand, the major argument for a Congressional Office of the Budget is the desire to have an organization that would serve all committees and members. We see nothing in H.R. 7130 which would preclude the joint legislative budget staff from serving other committees and members. If necessary to remove that objection, perhaps Title II could be amended to show that the joint committee staff would provide that service.

I fear that if an independent Congressional Office of the Budget is created, the individual budget committees will still need to create their own staffs as well and we will end up with three new budgetary support organizations which will further confuse and complicate the congressional budget control process.

The Congressional Research Service and the General Accounting Office are also available to serve all committees and members. In the appendix we discuss in greater detail some of the work of the General Accounting Office which supports the authorization, appropriation, and oversight responsibilities of the Congress. Specifically, we have discussed:

- The types of assistance GAO provides committees.
- The nature of the work GAO is doing in evaluating existing Federal programs. We have given high priority to this work to the point where approximately 35 percent of our professional staff of 3,250 is now engaged in such evaluations and studies.
- The work we are performing under section 202 of the Legislative Reorganization Act of 1970 to improve the fiscal, budgetary, and program information for the Congress and the reasons we believe the responsibility should remain with GAO even if a Congressional Office of the Budget were established.
- A proposed amendment to H.R. 7130 to include a clear statement of responsibility and authority for defining congressional information and reporting requirements.

I would also like to point out that Title II of H.R. 7130 does not contain a specific requirement for the continuation of the scorekeeping process and reporting. I believe it is an extremely important function in congressional budgetary control and you may wish to spell out the requirement in law. We believe it would be an appropriate responsibility for the Legislative Budget Director.

4. What types of fiscal, budgetary and program information will be needed to support the proposed legislative budget committees?

Most of the information needed for Congress' review of the budget can and should come from the executive branch. The specific types of information which we believe the committees need to make decisions on the budget limitations and allocations as well as on the individual program levels are listed in the appendix. I would like to re-emphasize that much of the information could be submitted and analyzed by the staff prior to the President's submission of the Federal budget.

Section 121(d) of H.R. 7130 requires the submission of views and recommendations on the budget limitations and allocations by the appropriations, the Ways and Means and Finance committees, the Joint Economic Committee and the Joint Committee on Internal Revenue Taxation. We believe that this provision should be broadened to provide all other committees an opportunity to give their views and recommendations to the budget committees either in writing or through testimony at the same time so that the budget committees will have a complete understanding of all committee views before the concurrent resolution is brought to the floor.

The Joint Study Committee contemplates hearings, to the extent time permits, "on overall budget levels and the priority status of various programs." I hope that this could include some public hearings. If rigidly controlled to avoid prolonging the process, such hearings could be quite valuable in assessing priorities within a budget total. The Legislative Reorganization Act of 1970 already provides for overall hearings by the appropriations committees with the Treasury, the Office of Management and Budget, and the Council of Economic Advisers. The responsibility for conducting these hearings could either be shifted to the legislative budget committees or arrangements made for joint hearings. The hearings might well be extended by receiving testimony from Defense Department officials on our overall defense posture, from the State Department officials on foreign policy and from national organizations which have made special studies of Federal programs, expenditures and their impacts.

To effectively control the budget the Congress must have information on the possible impacts on future years of the decisions it is making today. Generally detailed estimates are made for only one year beyond the budget year. We believe that estimates should be projected in the Budget for additional future years, say, for a 3 to 5-year period.

In this connection, it should be noted that section 221 of the Legislative Reorganization Act of 1970 provides that the President must submit by June 1 of each year estimates for four future fiscal years of the costs of programs which have a legal commitment for that period of time. We recommend advancing the date for the submission of this information from June 1 to make it available with the budget submission as are projections of the cost of proposals for new and expanded programs.

These long-range projections should cover all Federal programs and activities and they should provide a range of possible program costs under different assumptions about economic conditions and other variables which could significantly affect the budget. In reporting these projected ranges of possible costs, the President should be required to specify the major factors or variables that affect the projections and the specific assumptions that they made in their calculations. We believe that section 201 of the Budget and Accounting Act of 1921, as amended by the 1970 Act should be further amended to require such reporting.

We also suggest that you consider requiring the budget committees to prepare at the end of the congressional session a longer-term outlook or projection for future years

based upon actions taken during the session. These projections could be based on alternative economic outlook projections and on legislative and budgetary actions taken during the previous session. They could point up the effect of congressional actions for the future, thus guiding debate on the need for new legislation or modification and could also be useful to the President as he develops his recommendations for the following year's budget.

Section 203 of H.R. 7130 should be broadened or Section 252 of the Legislative Reorganization Act of 1970 should be amended to include this requirement.

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In conclusion, I would like to emphasize our strong support for the objectives of the proposed Congressional budgetary control legislation and that we will cooperate with and assist all involved organizations in any practical manner in carrying out new responsibilities.

In the appendix we have set out in greater detail the ideas I have summarized in these remarks.

Appendix to  
Statement of  
Elmer B. Staats, Comptroller General  
of the United States  
before the  
House Committee on Rules

WHAT STEPS COULD BE TAKEN TO SPEED UP THE BUDGET PROCESS  
IN THE CONGRESS?

Title I of H.R. 7130 establishes a process and timetable for the congressional resolution on the budget which will require a significant workload for the Congress in the first 4 months of each year. I believe it extremely important that the Congress act within this time frame or earlier so that we could avoid, if at all possible, the present situation where appropriations are not enacted until well after the beginning of the fiscal year.

I have no complete solution to this time problem but staff analysis of at least part of the budget in advance of the President's Budget submission would greatly help.

We could consider requiring the Office of Management and Budget and the agencies to provide a great deal of information to the Congress well in advance of the submittal of the President's Budget. For example,

there are many programs under which outlays are relatively fixed and uncontrollable in the immediate future and for which the President has no intention of proposing significant changes. Under these circumstances, we see no reason why substantial amounts of program and budget information could not be provided well in advance of the submission of the President's Budget. This would also allow the committees to focus on and have the staff work substantially completed early in the calendar year. This would allow the committees to focus on the programs in which significant changes are proposed by the President. As part of our definition of the congressional information requirements, I believe that we can specify the types of information and the criteria under which it is to be provided. We also believe that procedures can be agreed upon between the Congress and the executive branch for such reporting.

The timing of congressional budgetary action also could be shortened by greater use of advance authorization and multiyear appropriations. This is especially important for grant programs which require matching funds. States and local governments currently are not able to effectively plan and manage their programs and finances without much earlier notification of Federal decisions. Such delays are inevitably costly and slowdown the administration of programs which otherwise must be financed through a continuing resolution.

It is clear that the Congress cannot reasonably be expected to complete appropriation action on the budget by July 1. Therefore, we think that the fiscal year should be changed to begin on October 1 to enable the Congress to adequately consider the budget and for the President to submit a budget using actual prior year figures and in the time requirements of present law.

The Senate Government Operations Committee, Subcommittee on Budgeting, Management and Expenditures has reported S.1541 to the full committee with a provision that the President's Budget be submitted to the Congress on November 15. This would not be necessary with the changes we have recommended.

WHAT ITEMS SHOULD BE INCLUDED (OR EXCLUDED) FROM THE BUDGET?

It is highly important that the integrity of the unified Federal budget be maintained. In 1967, the President's Commission on Budget Concepts strongly recommended the adoption of the unified budget concept under which all Federal activities financed with Federal funds would be included. The Commission, of which I was a member, viewed this as its most important recommendation. A single budget was recommended to replace the three different budgets then in use which had caused confusion and misunderstandings.

President Johnson and later President Nixon accepted this recommendation and since 1969 we have had the unified budget. I mention this because, if the Congress is to exercise effective control over Federal expenditures through the budget, it should resist efforts to remove Federal activities from the budget. One action of this nature approved by the Congress in 1971, which we recommended against, was to exclude the Export-Import Bank from the unified budget. We believe that no further exclusions should be made and existing ones should be eliminated. The fundamental purpose of a single budget is to bring together in one place competing needs so that priorities may be more readily established and resources allocated with due regard to all potential demands on the Federal Treasury.

HOW AND WHERE SHOULD THE LEGISLATIVE BUDGET COMMITTEES GET  
STAFF SUPPORT?

There have been many different proposals for providing staff support.

Title II of H.R. 7130 would create a Joint Legislative Budget staff, headed by a Legislative Budget Director, to support the two committees on the budget.

We very strongly support the creation of a joint staff rather than the establishment of a Congressional Office of the Budget as is proposed in S.1541 which has been reported to the Senate Government Operations Committee by its Subcommittee on Budgeting, Management, and Expenditures.

We would expect that the joint staff would function very much as the current staff of the Joint Committee on Internal Revenue Taxation, which has the basic qualifications specified by the Joint Study Committee, namely: "that the director and his staff be highly trained, nonpartisan and professional because the Congress will need to depend heavily on them as to their skill and knowledge as well as to their objectivity." The Joint Committee on Internal Revenue Taxation does not have a large staff but one which has been able to call upon other resources to meet its peakload requirements. It calls upon the other support components of the legislative branch as well as individuals and research organizations throughout the country. It also

has an effective working relationship with the Department of the Treasury and uses its data and analytic techniques to assist both the Senate and House tax writing committees in their studies.

As we understand the major argument for a Congressional Office of the Budget is the desire to have an organization that would serve all committees and members. We see nothing in H.R. 7130 which would preclude the joint legislative budget staff from serving other committees and members. If necessary to remove that objection, perhaps Title II could be amended to show that the joint legislative budget staff would provide that service. In addition the Congressional Research Service and the General Accounting Office are also available to serve all committees and members.

I fear that if a Congressional Office of the Budget is created, the individual budget committees will need to create their own staffs as well as we will end up with three new budgetary support organizations which will further confuse and complicate the congressional budget control process.

I also have some reservations about the discussion on the California Legislative Analyst's Office being a complete model for the Congressional Office of the Budget. Helpful and significant as that Office has been, there are significant differences in the budget process of the State of California and the Federal Government. California's budget process has a line item orientation. The governor still has a

line veto. The Legislative Analyst, to a large extent, reviews line items and recommends reductions or changes in selected items. He is not called upon to recommend a budget total or overall priorities on a program basis. I believe a much broader role is envisioned for the joint staff or the Congressional Office of the Budget. In my view it should be concerned with the overall economic, social, and financial factors of the Federal budget, including program priorities and trade-offs among alternatives for achieving program objectives.

We believe the most effective arrangement is to create a small permanent staff and during the period when overall target figures are being established, individuals from the appropriations committees, the revenue committees, and possibly the legislative committees and the Joint Economic Committee could also be assigned. Individuals assigned from the Congressional Research Service and the General Accounting Office and temporary and consultant personnel could augment the staff.

GAO Support to Budget Committees

The General Accounting Office is prepared to give high priority to assisting the Congress in carrying out legislation to achieve the objectives of H.R. 7130. For many years, we

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have provided assistance to the committees of the Congress concerned with the annual authorization and appropriation processes. This assistance has taken the form of:

- Assigning staff members to work directly on the staff of the committees.
- Making special audits and studies of problems of special interest and concern to the committees.
- Providing annual summaries of significant audit findings and recommendations growing out of the continuing audit work of the GAO in all Federal agencies.
- Testifying on various matters on request.
- Commenting on proposed legislation.

I would now like to suggest some other ways in which we might assist the committees of the Congress who are involved in the authorization and appropriations process.

1. Analyses of budget justifications

If the detailed agency budget justifications which are now submitted to the appropriations committees and the legislative authorization committees were made promptly available to us, we could prepare analyses for each subcommittee which would relate our audit findings to budget areas where the committee may wish to consider modifications.

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In addition to using completed reports, we could also provide preliminary information based on our ongoing work.

For many years, we have been providing the appropriations committees with compilations of significant audit findings for their use in considering agency budget requests. Without materially increasing our workload, we could relate these findings to specific requests for funds in the agency budget justifications.

If desired we could go even further and assist in analyzing agency budget justifications irrespective of the relationship to our audit findings. For example, on request, we have sometimes developed questions and issues for use by committees in hearings.

2. Assignment of staff

If the Congress decides to adopt the proposal of the Joint Study Committee to establish budget committees, we could assign staff members to assist in their work from time to time. This would be in line with current practice and could be particularly useful for the period when the overall budget total is being actively considered.

Evaluation of existing programs by GAO

I believe it relevant to refer to the interest and responsibility of the GAO in evaluating the effectiveness of ongoing or existing programs. While we have always construed the Budget and Accounting Act and the Legislative Reorganization Act of 1946 to include this authority, the Legislative Reorganization Act of 1970 made it quite explicit. This Act, in brief, directed that the GAO, either on its own initiative or at the request of committees of the Congress, make studies of the costs and benefits of existing programs. For the past 5 years, we have given high priority to the evaluation of Federal programs to the point where approximately 35 percent of our professional staff of 3,250 is now engaged in evaluations and studies with this objective.

I mention this subject here today because of the number of proposals which have been made suggesting the creation of new agencies in the Congress to assist it in evaluating the results of Federal programs. In discussing these proposals with Members of Congress and others, I frequently find that individuals who make these proposals are unfamiliar with the extent to which the emphasis in the General Accounting Office on program evaluation type audits has increased. While we still have much to learn, I believe that overall we are making good progress.

Evaluation of Government program results is an art about which all of us have much to learn. There are many difficulties in making such assessments particularly in the social action areas. Not the least of these are (1) the lack of clearly, specifically stated program goals and objectives, and (2) the lack of reliable data on performance and effects or results of program operations. Despite the problems, we are making a major effort to make such evaluations of Federal programs. In the process we are learning more and more how to make these evaluations more useful. Several factors, which I will merely mention here, are involved in improving our performance and capability.

1. We are learning much by doing--through experience.
2. We have been building an interdisciplinary staff of engineers, economists, etc., as well as accountants.
3. We are making extensive use of expert consultants in various fields and by contracting work out to a limited degree.
4. We are conducting advanced training programs and holding special seminars on program evaluation in specific areas.

5. Increasingly, we are taking advantage of analytical and evaluation work of other Government agencies and non-government organizations such as the Urban Institute and the Brookings Institution.
6. We revised our organization structure last year along programmatic and functional lines. This change is enabling us to do more effective program evaluations.

A few examples will illustrate the nature of some recent reports we have made on our evaluation of the results of Federal programs.

1. Two reports to the Congress last year provided evaluations of the housing and education programs for the American Indian.
2. In February of this year, we reported to the Congress on the impact of programs of the Departments of Agriculture; Health, Education, and Welfare; Labor; and the Office of Economic Opportunity to improve the living conditions of migrant and other seasonal farmworkers.
3. Also in February we completed our study of how well the Agricultural Marketing Service and the Food and Drug Administration carry out their inspection and

control functions over processed fruits and vegetables. In this study, we were particularly concerned with the controls these agencies exercised over fruits and vegetables that do not meet U.S. grade standards and effectiveness in policing the requirement that such products be processed under sanitary conditions.

4. In March we reported on our review of the operations of the Food and Drug Administration in carrying out its responsibilities to insure that potentially harmful shellfish do not reach the American consumer and that imported shellfish meet U.S. domestic standards.
5. Other reports on our audits of program results issued within the last few weeks were on such subjects as:
  - Environmental Protection Agency requirements to remove hazardous pesticides from the channels of trade.
  - The program of the National Highway Traffic Safety Administration of the Department of Transportation to insure compliance with Federal safety standards for motor vehicles.
  - Continuing losses incurred by the Federal Government on the peanut price support program.

The Congress itself sometimes directs us to make specific studies. A good recent example is our comprehen-

sive study of health facilities construction costs. This study was directed by the Comprehensive Health Manpower Training Act of 1971. The completed report which was submitted to the Congress in November 1972 is concerned in great depth with the objective of reducing the high cost of constructing health facilities and also identifying and evaluating ways for reducing the demand for such facilities.

I would also like to point out that a significant part of our work is done in response to requests by committees of the Congress, which are often in direct support of their legislative or legislative oversight responsibilities. Many of these requests require us to evaluate program results. For example, we very recently completed a project in support of the Fiscal Policy Subcommittee of the Joint Economic Committee in its study of welfare programs by measuring in six geographic areas the extent to which poor persons really benefit from the numerous Federal programs intended for this aid.

The examples I have mentioned all represent completed work. We also have a great deal of work of this nature in process at all times but I will not take the time here to describe it.

My principal reason for mentioning GAO's work in the area of program evaluation is to invite the Committee's attention to it for consideration in relation to proposals

for creating possibly new agencies for assisting the Congress in evaluating the results and effectiveness of Federal programs.

GAO Efforts to Improve Fiscal, Budget, and Program Information for the Congress

S.1541 as reported to the Senate Government Operations Committee would transfer the present responsibilities we are carrying out under Section 202 of the Legislative Reorganization Act of 1970 to the proposed Congressional Office of the Budget. I am very strongly opposed to such a change for a number of reasons, and am happy that H.R. 7130 does not change GAO's responsibilities under the 1970 Act.

The responsibility placed on the General Accounting Office in the Legislative Reorganization Act of 1970 is especially pertinent in congressional budget control. It requires the Secretary of the Treasury and the Director of the Office of Management and Budget, in cooperation with the Comptroller General, to develop, establish, and maintain standard classifications of programs, activities, receipts, and expenditures of Federal agencies in order to meet the needs of the various branches of the Government.

We have attempted to determine the information needs of the various congressional committees. On November 10, 1972, we submitted a progress report to the Congress reflecting the results of a survey of congressional interests and needs.

During that survey our staff interviewed a total of 258 persons representing 44 committees and 69 Members of Congress. In addition, by letter, we requested the views and suggestions of every Member of the Congress.

Since last November, we have been working on a pilot-test basis with several committees to develop a methodology for defining and documenting the reporting requirements of the committee for selected programs--we used selected housing programs in the Departments of Housing and Urban Development and Agriculture for the pilot-test.

Through the survey and the pilot-test, we have (1) established a working relationship with all of the House and Senate committees, (2) developed a methodology for defining and documenting information requirements for use by the executive agencies in establishing reporting procedures, and (3) created a basic staff capability upon which we are building a larger permanent, full-time group. Over the next few years we will review each major appropriation account and the way information is reported now, what information is needed by the various committees, how they want the data presented, and how frequently they want it reported. Our objective in this work with the committees and the executive branch in the next few years is to get a significant portion of the budget justifications presented to the Congress on a consistent program basis which will allow more effective congressional tracking from year to year and comparisons across agency lines.

Our reasons for believing that these responsibilities should stay with GAO follow.

1. We are already well into the implementation and have in place the basic staff capability and liaison and operating procedures for carrying on the work. Transferring these functions to a new organization would no doubt cause considerable delay while building such a capability.

2. The Budget and Accounting Procedures Act of 1950 made GAO responsible for prescribing the accounting principles and standards which Federal agencies follow in the design and operation of their accounting systems and for approving the systems developed by the agencies. One of the objectives of the 1950 Act was to provide some assurance to the Congress that the executive agencies developed accounting systems which would provide reliable accounting results to serve as the basis for preparation and support of agency budget requests, for controlling the execution of the budget, and for providing financial information required by the executive branch.

The requirements of section 202 of the Legislative Reorganization Act of 1970 standard classifications of programs, activities, receipts, and expenditures are broader than would be the charter of the Congressional Office of the Budget. The standards must be developed cooperatively with the executive branch and must be kept in coordination with the principles and standards we prescribe for agencies accounting systems.

We believe that the assignment of GAO as the agent of Congress under the Legislative Reorganization Act of 1970 was a good first step toward establishing an appropriate relationship between the

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accounting and budgeting functions and strengthens our position in both the accounting and budgeting systems to work.

We feel that transferring the section 202 functions to the proposed Congressional Office of the Budget may tend to (1) limit the scope of that work to budgetary information only and (2) cause conflicts between the principles and standards we prescribe for accounting systems and requirements developed by the Congressional Office of the Budget for the same subjects.

3. Finally, it appears to me that the information gathering and analytical responsibilities that would be given the proposed Congressional Office of the Budget are substantial and significantly different from the work we are doing under section 202. If they had to perform the section 202 task, it could detract from their primary budget analysis work. Therefore, I question whether that Office would want to get involved in the complex and technical tasks of defining and specifying information requirements and classifications for systems designers and computer specialists. The important point is that congressional budget analysts get the information they need. We can and are providing the technical coordination with the executive branch for communicating the needs of the committees and Members of the Congress. We can perform this function for the budget committees and the Congressional Office of the Budget just as we are doing for the authorization, appropriation, and oversight committees. They all will use much the same data and same data sources.

4. The work we are doing under section 202 are closely and directly related to several other projects we are performing for congressional committees.

--With the Select Committee on Committees we are assessing the feasibility of creating the capability to link authorizations, appropriations, committee jurisdictions, and the agency programs to the basic statutes. In a progress report, the task group concluded that creation of such a capability is feasible. They are now developing an illustrative example of the initial classification systems and cross-reference tables for review and evaluation by the Select Committee and other potential users. We believe that an automated system of classification codes and a cross-reference capability based on existing codes and definitions would be of direct and valuable use by (1) the Select Committee on Committees in analyzing the jurisdiction of committees in relation to authorizing legislation and appropriations accounts, (2) the authorizing, revenue, and appropriating committees in their research and analysis of legislation and budget proposals, (3) members and staffs, especially committee staffs who must use information from multiple existing sources and (4) the GAO and committee staffs now working under Title II of the Legislative Reorganization Act of 1970 on improving the ways data is recorded, classified and presented to the Congress. The system of existing classification codes will provide the base for further information systems development by the Congress and the executive branch.

--We are assisting the House Committee on Appropriations in assessing the feasibility of enhancing the scorekeeping process and of creating a running budget model. These capabilities would aid the Congress in monitoring its current activities and the status of its actions on the current budget (scorekeeping) and assess the effects of past and current budgetary decisions and commitments on future years (running budget model). These capabilities are needed now and would be even more essential under the congressional budgetary control process proposed in H.R. 7130.

--We are receiving an increasing number of requests from Members and committees for financial and program information. Much of this information is available and useable if you know where it is and how to get at it. Our staff is familiar with the data sources and techniques for obtaining and analyzing it and to get it delivered to the congressional requestor on a quick-response basis. Of particular concern to congressmen this year has been the impact of budgetary and impoundment actions on geopolitical areas, especially congressional districts.

Proposed amendment to H.R. 7130

We believe that section 202 of the Legislative Reorganization Act of 1970 should remain as a general requirement for standardizing classifications to meet the needs of all branches of Government. We feel there is a strong need for this broad standardization effort.

But we also believe there is a need for a clear statement of responsibilities and authority for defining congressional information and reporting requirements. Following is a proposed Title III to H.R. 7130 that makes us responsible for these tasks.

Title III--Budget, Fiscal and Program Information for the Congress

Sec. 301. The Comptroller General of the United States shall conduct a continuing program to ascertain the needs of the committees and Members of the Congress for fiscal, budgetary, and program information designed to support the objectives of this Act and shall recommend to the Congress and to the executive agencies, as appropriate, improvements in developing and reporting such information to meet these needs most effectively.

Sec. 302. The Comptroller General, in order to meet the needs of the Congress, in consultation with the Director, Office of Management and Budget, the Secretary of the Treasury,

and the Legislative Budget Director shall develop establish, maintain, and publish standard terminology, definitions, classifications, and codes, for Federal fiscal, budgetary, and program-related data and information. The authority contained in this part shall include, but not be limited to, data and information pertaining to Federal fiscal policy, revenues, receipts, expenditures, functions, programs, projects, and activities. Such standard terms, definitions, classifications, and codes shall be used by all agencies in supplying to the Congress fiscal, budgetary, and program-related data and information.

Section 303. The Comptroller General shall assist committees in developing specifications for legislative requirements for executive branch evaluations of Federal programs and activities, including reporting the results of such evaluations to the Congress.

Sec. 304. The Comptroller General shall monitor the various recurring reporting requirements of the Congress and committees and make recommendations to the Congress and committees for changes and improvements in these reporting requirements to meet the congressional information needs ascertained by the Comptroller General, to enhance their usefulness to the congressional users and to eliminate duplicative or unneeded reporting.

Sec. 305. The Comptroller General of the United States shall submit annually to both Houses of the Congress a report concerning his responsibilities under this title.

I would also like to point out that Title II of H.R. 7130 does not contain a specific requirement for the continuation of the scorekeeping process and reporting. I believe it is an extremely important function in congressional budgetary control and you may wish to spell out the requirement in law. We believe it would be an appropriate responsibility for the Legislative Budget Director.

WHAT TYPES OF FISCAL, BUDGETARY, AND PROGRAM INFORMATION  
WILL BE NEEDED TO SUPPORT THE PROPOSED LEGISLATIVE BUDGET  
COMMITTEES?

The report of the Joint Study Committee on Budget Control points out that most of the information needed by the Legislative Budget Director and the legislative committees will be supplied directly from the agencies or through the OMB. We believe that most of the information needed can and should come from the executive branch.

I would like to reemphasize that the availability of a full-time staff would make it possible to effectively utilize much of the information required by the Congress to carry out the objectives of the budget control legislation prior to the actual submission of the President's Budget. We question, in fact, whether the time table contemplated in the report can be achieved unless such information is available to the Legislative Budget Director on a continuing basis throughout the year. Many of the issues which are dealt with in Presidential budget submissions are not new and can be identified long before the submission of the Budget.

Specific types of information which we believe will be most urgently needed by the budget committees, the appropriations committees, and the authorization committees in

furtherance of the objectives of the report of the Joint Study Committee on Budget Control are the following:

1. The subdivision of budget authority and outlays submitted in the President's Budget in accordance with the jurisdictions of the committees and subcommittees, together with estimates of the effect on outlays of budget authority granted in prior years identified for each committee and subcommittee. Budget authority and outlays are now included in the President's Budget along agency and functional lines, which do not necessarily follow the lines of committee jurisdiction.
2. Longer-term projections. Estimates are made for only one year beyond the budget year. To the extent practicable, estimates should be projected in the Budget for additional future years, say, for a 3 to 5-year period. In this connection, it should be noted that section 201 of the Budget and Accounting Act of 1921 as amended by the Legislative Reorganization Act of 1970 provides that the President must submit by June 1 of each year estimates for 4 future fiscal years of the costs of programs which have a legal commitment for that period of time. We believe consideration should be given to advancing the date for the submission of this information from June 1 to an earlier date. Perhaps it could be submitted to Congress with the Budget as are projections of the cost of proposals for new and expanded programs. These long-range projections should

cover all Federal programs and activities and they should provide a range of possible program costs under different assumptions about economic condition and other variables which could significantly affect the budget. In reporting these projected ranges of possible costs, the President should be required to specify the major factors (variables) that affect the projections and the specific assumptions that they made in their calculations. Section 221 of the 1970 Act could be amended to require such reporting. We also believe that serious consideration might be given to requiring the budget committees to prepare at the end of the congressional session a longer-term outlook or projection for future years based upon actions taken during the session. These projections could be based on alternative economic outlook projections and on legislative and budgetary actions taken during the previous session. They could point up the effect of congressional actions for the future, thus guiding debate on the need for new legislation or modification and could also be useful to the President as he develops his recommendations for the following year's budget. Section 203 of H.R. 7130 could be broadened or section 252 of the Legislative Reorganization Act of 1970 could be amended to include this requirement.

3. The same kind of breakdown and projection on a program basis. Quite likely this might be best provided separately from the Federal Budget, or included in the Special Analyses of the Budget.

4. Analyses of the costs and benefits of alternatives to new legislative proposals or major expansions in existing programs, projected over a period of years.
5. An analysis of (a) budget authority and outlays which are relatively fixed or uncontrollable; (b) budget authority and outlays which are discretionary; and (c) the effect of reductions or increases in budget authority for the budget year on outlays for that year, and for subsequent years, to the extent feasible.
6. Analyses of the basis for and the validity of the assumptions made in the President's Budget with respect to workload changes, program increases or decreases under current legislation, productivity increases, cost growth, and so forth.
7. Estimates made by various organizations on the effect of an increase or decrease in the employment rate and economic growth assumptions on various statutory programs such as veterans benefits, unemployment compensation, social security, public assistance, housing, etc.
8. Estimates made by various organizations on the effect of changes in budget authority and outlay levels upon employment (a) within the Government and, (b) outside the Government.
9. Historical comparisons of current budget requests which take into account changes in budgetary classifications, amendments to legislation, discontinuance of programs and the reconstitution of programs under different authority or different budget activity classifications. The objective would be primarily to provide greater consistency in agency reporting of program and activity information over longer periods of time.

10. An inventory or directory of sources of basic financial information on Federal programs and projects affecting State and local governments and on trends in State and local revenues and expenditures by program area.
11. Status reports on the current year's budget authority with respect to such matters as anticipated supplemental appropriation requests, obligational commitments made, outlays made, loan repayments, revolving funds transactions, funds reserved or impounded and not apportioned, etc.
12. Updated reports on actual revenues for the current year, and estimates for the budget and later years, based on alternative economic assumptions.